

04 Shareholder information continued

NOTICE OF ANNUAL GENERAL MEETING

HUGE GROUP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2006/023587/06)

Share code: HUG

ISIN: ZAE00101042

("Huge" or "the Company")

Notice is hereby given to shareholders that the annual general meeting (**AGM**) of Huge for the year ended 28 February 2019 will be held at Unit 6, 1 Melrose Arch, Melrose Boulevard, Johannesburg on Thursday, 29 August 2019 at 10:00 to:

- deal with such business at the meeting with which the Company may lawfully deal; and
- consider, and if deemed fit, pass, with or without modification, the ordinary and special resolutions set out hereunder in the manner required by the Companies Act, 71 of 2008 (as amended) (**the Act**), as read with the Company's Memorandum of Incorporation (**MOI**) and the Listings Requirements of the JSE Limited (**Listings Requirements**), being the stock exchange on which the Company's ordinary shares (**Shares**) are listed.

RECORD DATES, PROXIES AND VOTING

In terms of section 59(1)(a) and (b) of the Act, the Board of the Company has set the record dates for the purposes of determining which shareholders are entitled to receive notice, participate in, and vote:

	2019
Record date to receive the notice of AGM	Friday, 21 June
Last date to trade to be eligible to participate in and vote at the AGM	Tuesday, 20 August
Record date to be eligible to participate in and vote at the AGM	Friday, 23 August

Kindly note that in terms of section 63(1) of the Act, meeting participants (including proxies) will be required to provide reasonably satisfactory identification before being entitled to participate in or vote at the AGM. The form of identification that will be accepted includes an original and valid identity document, a driver's licence and a passport.

Shareholders who have not dematerialised their Shares or who have dematerialised their Shares with "own name" registration and who are entitled to attend, participate in and vote at the AGM are entitled to appoint a proxy to attend, speak and vote in their stead. A proxy need not be a shareholder and shall be entitled to vote on a show of hands or a poll. It is requested that proxy forms be forwarded so as to reach The Meeting Specialists Proprietary Limited, 29 La Rochelle Road, Glenesk, Johannesburg (**The Meeting Specialists**) by no later than 24 (twenty-four) hours before the commencement of the AGM. If shareholders who have not dematerialised their Shares or who have dematerialised their Shares with "own name"

registration and who are entitled to attend, participate in and vote at the AGM do not deliver the proxy form to The Meeting Specialists by the relevant time, such shareholders will nevertheless be entitled to lodge the Form of Proxy in respect of the AGM immediately prior to the proxy exercising such shareholder's rights as a shareholder at the AGM, in accordance with the instructions therein, with the Chairman of the AGM.

Shareholders who have dematerialised their Shares, other than those shareholders who have dematerialised their Shares with "own name" registration, should contact their Central Securities Depository Participant (**CSDP**) or broker in the manner and within the time stipulated in the agreement entered into between them and their CSDP or broker:

- to furnish them with their voting instructions; or
- in the event that they wish to attend the AGM, to obtain the necessary letter of representation to do so.

On a show of hands, every shareholder present in person or represented by proxy and entitled to vote shall have only one vote irrespective of the number of Shares such shareholder holds. On a poll, every shareholder present in person or represented by proxy and entitled to vote shall be entitled to that proportion of the total votes in the Company which the aggregate amount of the nominal value of the Shares held by such shareholder bears to the aggregate amount of the nominal value of all Shares issued by the Company.

NOTE

In order for an ordinary resolution to be adopted, it must be supported by more than 50% (fifty percent) of the voting rights exercised in respect of the resolution, unless otherwise specified.

In order for a special resolution to be adopted, it must be supported by at least 75% (seventy-five percent) of the voting rights exercised in respect of the resolution.

When reading the resolutions, please refer to the explanatory notes in respect thereof.

ELECTRONIC PARTICIPATION

The Company intends to offer shareholders reasonable access to attend the AGM through electronic conference call facilities, in accordance with provisions of the Act. Shareholders wishing to participate electronically in the AGM are required to deliver written notice to the Company at Unit 6, 1 Melrose Boulevard, Melrose Boulevard, Johannesburg (marked for the attention of Karen Robinson, the Company Secretary) by no later than Friday, 23 August 2019, that they wish to

participate via electronic communication at the AGM (the **electronic notice**). In order for the electronic notice to be valid it must contain:

- if the shareholder is an individual, a certified copy of their identity document;
- if the shareholder is not an individual, a certified copy of a resolution passed by the relevant entity and a certified copy of the identity document(s) of the person(s) who passed the relevant resolution, which resolution must set out the person from the relevant entity who is authorised to represent it at the AGM; and
- a valid email address.

Voting on Shares will not be possible via electronic communication and accordingly Shareholders participating electronically and wishing to vote their Shares at the AGM will need to be represented at the AGM, either in person, by proxy or by letter of representation. The Company shall use its reasonable endeavours on or before Wednesday, 28 August 2019, to notify the shareholder who has delivered a valid electronic notice of the relevant details through which the shareholder can participate via electronic communication.

PRESENTATION TO SHAREHOLDERS

In terms of the requirements of the Act and the Company's MOI, the following documents have been distributed as required and/or will be presented to the shareholders at the AGM:

- The Consolidated Annual Financial Statements (**AFS**) of the Company for the year ended 28 February 2019
- Directors' Report
- Independent Auditor's Report
- Audit Committee Report
- Social and Ethics Committee Report

A complete set of the AFS, together with the abovementioned reports, are set out in this Report.

The Abridged Integrated Report and Integrated Report are available on the Company's website: www.hugegroup.com.

SOCIAL AND ETHICS COMMITTEE REPORT

In accordance with Regulation 43(5)(c) of the Act, the Chairman of the Social and Ethics Committee will report to the shareholders at the AGM.

ORDINARY RESOLUTION NUMBER 1

Appointment of the independent auditor

"Resolved that Moore Stephens MWM Incorporated and CA Whitefield as the designated audit partner, following the recommendation of the current Audit Committee of the Company, be appointed as the

independent auditor of the Company, until the conclusion of the next AGM."

Explanatory note

In terms of section 90(1) of the Act, each year at its AGM, the Company must appoint an auditor who complies with the requirements of section 90(2) of the Act. Following a detailed review, which included an assessment of its independence, the current Audit Committee of the Company has recommended that Moore Stephens MWM Incorporated be re-appointed as the independent auditor of the Company.

ORDINARY RESOLUTION NUMBER 2 (2.1 TO 2.2)

Appointment of directors

"Resolved, to elect, by way of separate resolutions, the following executive directors who were appointed after the last AGM and whose appointments are required to be ratified by the shareholders:

- 2.1 AP Openshaw (executive director)
- 2.2 SL Sequeira (executive director)"

A brief CV of each director appears on pages 32 and 33 of this Report.

Explanatory note

In terms of the Company's MOI and Schedule 10.16(c) of the Listings Requirements, directors who are appointed after the last AGM are required to stand for election by shareholders at the next AGM.

The Board, through the Nomination Committee, recommends that shareholders elect the executive directors.

ORDINARY RESOLUTION NUMBER 3 (3.1 TO 3.3)

Re-election of directors

"Resolved, to elect, by way of separate resolutions, the following non-executive directors who retire by rotation and who are eligible and available for re-election."

- 3.1 DR Gammie (Independent non-executive director)
- 3.2 VM Mokholo (Non-executive director)
- 3.3 SP Tredoux (Independent non-executive director)"

A brief CV of each director appears on pages 32 and 33 of this Report.

Explanatory note

In terms of the Company's MOI, one third of the non-executive directors shall retire from office at each AGM.

The Board, through the Nomination Committee, has evaluated the past performance and contribution of the retiring directors and recommends that they be re-elected.

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ORDINARY RESOLUTION NUMBER 4 (4.1 TO 4.3)

Election of Audit Committee members

"Resolved, subject to the approval of ordinary resolution 3.1 and 3.3, to elect, by way of separate resolutions, the following independent non-executive directors as members of the Company's Audit Committee.

4.1 DR Gammie (Chairman)

4.2 CWJ Lyons

4.3 SP Tredoux"

All the above retiring members are eligible and available for election. A brief CV of each member appears on pages 32 and 33 of this Report.

Explanatory note

The members of the Audit Committee have been nominated by the Board for election as members of the Company's Audit Committee in terms of section 94(2) of the Act. The Board has reviewed the proposed composition of the Audit Committee against the requirements of the Act and Regulations under the Act and has confirmed that, if elected, the membership of the committee will comply with the relevant requirements and the members will have the necessary knowledge, skills and experience to enable it to perform its duties in terms of the Act.

ORDINARY RESOLUTION NUMBER 5

General authority to allot and issue equity securities (Securities) (including ordinary Shares) for cash

"Resolved that, subject to the approval of 75% of the shareholders present in person and by proxy and entitled to vote at the meeting, the directors of the Company be and are hereby authorised, by way of a general authority, to allot and issue up to 30% of the authorised but unissued Securities (including ordinary Shares) of the Company as they in their discretion deem fit, subject to the provisions of the Act, the Listings Requirements and the Company's MOI, provided that:

- (i) The Securities (including ordinary Shares) which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such Securities (including ordinary Shares) or rights that are convertible into a class already in issue;
- (ii) The Securities are issued to public shareholders, as defined in terms of the Listings Requirements, and not to related parties;
- (iii) This authority shall not endure beyond the next AGM of the Company nor shall it endure beyond 15 (fifteen) months of the date of this meeting;
- (iv) The Securities (including ordinary Shares) are to be issued in accordance with the Listings Requirements;

(v) Upon any issue of Securities (including ordinary Shares) which, together with prior issues during the last 15 months from the date on which the resolution is passed or until the next AGM (whichever period is shorter), will constitute 5% or more of the number of Securities (including ordinary Shares) of the class in issue, the Company shall by way of an announcement on the Securities Exchange News Service of the JSE Limited providing full details thereof in terms of the Listings Requirements;

(vi) The number of Securities (including ordinary Shares) issued for cash shall not, in aggregate, exceed 30% of the Company's Securities (including ordinary Shares) as at, which, in the case of the Company's listed ordinary Shares is 49 432 237 Shares, which is 30% of 175 627 077 listed ordinary Shares less 10 852 953 ordinary Shares held as treasury shares, as at the date of this notice. Any Securities (including ordinary Shares) issued under this authority during the period of its validity must be deducted from the above number of ordinary Shares and in the event of a sub-division or consolidation of the Securities (including ordinary Shares), this authority must be adjusted accordingly to represent the same allocation ratio; and

(vii) The maximum discount at which Securities (including ordinary Shares) may be issued is 10% of the weighted average traded price of such Securities (including ordinary Shares) over the 30 (thirty) business days prior to the date that the price is agreed or determined between the Company and the party subscribing for the Securities (including ordinary Shares)."

Explanatory note

In terms of the Listings Requirements, when Securities (including ordinary Shares) are issued, or where consideration is being given to issuing Securities (including ordinary Shares), for cash (including the extinction of a liability, obligation or commitment, restraint, or settlement of expenses), the shareholders are required to authorise such issue with a 75% majority of the votes cast in favour of the resolution.

The directors consider it advantageous to renew this authority to enable the Company to take advantage of any business opportunity that may arise in future.

ADVISORY ENDORSEMENT NUMBER 1

Approval of the Company's Remuneration Policy

"To endorse, through a non-binding advisory vote, the Company's Remuneration Policy, as contained on pages 42 to 47 of this Report".

ADVISORY ENDORSEMENT NUMBER 2

Approval of the Company's Remuneration Implementation Report

"To endorse, through a non-binding advisory vote, the Company's Remuneration Implementation Report, as contained on pages 45 to 47 of this Report".

Explanatory Note in respect of Advisory Endorsement Number 1 and Number 2

The King IV Report on Corporate Governance and the Listings Requirements require that the Board (with the assistance of the Remuneration Committee) table the Remuneration Policy and the Remuneration Implementation Report every year at the AGM for separate non-binding advisory votes by shareholders. In accordance with the provisions of the Listings Requirements, the Company shall give shareholders the

right to express their views on the Remuneration Policy and the Remuneration Implementation Report and in the event that either the Remuneration Policy or the Remuneration Implementation Report, or both, have been voted against by 25% or more of the voting rights exercised by the shareholders, to take these dissenting votes into account.

SPECIAL RESOLUTION NUMBER 1

Approval of the remuneration of non-executive directors

"Resolved as a special resolution that, in terms of section 66(9) of the Act, the following remuneration shall be payable to non-executive directors of the Company in respect of the year ended 29 February 2020, for their services as directors."

	Fees payable in financial year ended 28 February 2019		Fees payable in financial year ended 29 February 2020	
	Chairman of the Board	Directors/ Committee members	Chairman of the Board	Directors/ Committee members
Monthly retainer	R52 500	R27 900	R60 000	R31 000
Meeting attendance fee (per day)	R16 000	R16 000	R18 000	R18 000
Special Board meetings attendance fee (per day)	R5 000	R5 000	R6 000	R6 000

Exclusive of Value-Added Tax, where applicable

Explanatory note

Special resolution number 1 is proposed to enable the Company to comply with the provisions of sections 65(11)(h), 66(8) and 66(9) of the Act, which stipulate that remuneration to directors for their services as directors may be paid only in accordance with a special resolution approved by shareholders.

For further information on the Group's remuneration practices, please refer to the Remuneration Report contained on pages 42 to 47 of this Report.

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SPECIAL RESOLUTION NUMBER 2

Authority for the Company to grant financial assistance in terms of section 45 of the Act

"Resolved as a special resolution that, in terms of section 45 of the Act, the shareholders of the Company hereby approve of the Company providing, at any time and from time to time but subject to Board approval at such time, during the period of 2 (two) years commencing from the date of this special resolution, any direct or indirect financial assistance as contemplated in section 45 of the Act and provided that the Board is satisfied that:

- immediately after providing the financial assistance, the Company will satisfy the solvency and liquidity test; and
- the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company."

Explanatory note

Special resolution number 2 is proposed in order to obtain approval from shareholders to enable the Company to provide financial assistance, when the need arises, in accordance with the provisions of section 45 of the Act and in order to provide for inter-company loans within the Group.

SPECIAL RESOLUTION NUMBER 3

General authority to repurchase (acquire) Securities (including ordinary Shares)

"Resolved as a special resolution that the Board is hereby authorised in terms of section 48(8) of the Act by way of a renewable general authority, subject to the provisions of the Listings Requirements and as permitted by the Company's MOI, to approve the repurchase by the Company of its own Securities (including ordinary Shares) and/or the acquisition of the Company's Securities (including ordinary Shares) by any of its subsidiary companies, upon such terms and conditions and in such amounts as the Board may from time to time determine but subject to the Company's MOI, the provisions of the Act and the Listings Requirements, where applicable and provided that:

- The repurchase by the Company of its own Securities (including ordinary Shares) or the acquisition of the Company's Securities (including ordinary Shares) by any subsidiary company of the Company in terms of this general authority may not, in the aggregate, exceed in any one financial year 5% of the Company's issued Securities (including ordinary Shares) constituting its share capital as at the beginning of the financial year as repurchased or acquired from the date of the grant of this general authority;

- If applicable and subject to section 48(8)(b) of the Act, the acquisition of Securities (including ordinary Shares) as treasury stock by a subsidiary company of the Company may not exceed 10% of the number of Securities (including ordinary Shares) issued by the Company;
- This general authority shall lapse on the earlier of the date of the next AGM of the Company or the date that is 15 (fifteen) months after the date on which this special resolution is passed;
- The Board has resolved to authorise the repurchase by the Company or the acquisition by any subsidiary company of the Company and provided further that the resolution of the Board and the resolution of the Board any subsidiary company of the Company confirms, as part of the resolution, that it will satisfy the solvency and liquidity test immediately after the repurchase or acquisition, as the case may be, and that subsequent to the tests being undertaken, that there have been no material changes to its financial position;
- The repurchase or acquisition must be effected through the order book operated by the trading system of the JSE Limited and done without any prior understanding or arrangement between the Company or any subsidiary company of the Company and the counterparty (reported trades are prohibited);
- The Company or the subsidiary company of the Company only appoints one agent to affect any repurchase or acquisition, as the case may be, on its behalf;
- The price paid per Security (including an ordinary Share) may not be greater than 10% above the weighted average of the market value of the Securities (including ordinary Shares) for the 5 (five) business days immediately preceding the date on which a repurchase or an acquisition, as the case may be, is made;
- The repurchase or acquisition of Securities (including ordinary Shares) by the Company or any subsidiary company of the Company may not be effected during a prohibited period, as defined by the Listings Requirements, unless the Company has in place a repurchase programme where the full details of the programme have been submitted to the JSE Limited in writing prior to the commencement of the prohibited period, including the dates and quantities of Securities (including ordinary Shares) to be traded during the relevant period, which must be fixed and not subject to any variation. The Company must instruct an independent third party, which makes its investment decisions in relation to the Company's Securities (including ordinary Shares) independently of, and uninfluenced by, the Company, prior to the commencement of the prohibited period, to execute the repurchase programme submitted to the JSE Limited; and

- An announcement containing the full details of any repurchase or acquisition of Securities (including ordinary Shares) must be published as soon as the Company and/or any of its subsidiary companies have repurchased or acquired, as the case may be, Securities (including ordinary Shares) constituting, on a cumulative basis, 3% of the number of Securities (including ordinary Shares) in issue at the time the general authority for this special resolution is granted and for each 3% in aggregate of the initial number acquired thereafter."

Explanatory note

Special resolution number 3 is sought to allow the Company and/or any of its subsidiary companies, by way of a general authority, to repurchase or acquire, as the case may be, the Company's Securities (including ordinary Shares). At the present time, the Board has no specific intention with regard to the utilisation of this general authority, which will only be used if the circumstances are appropriate. Any decision by the Board to use this general authority to repurchase or acquire Securities (including ordinary Shares), as the case may be, of the Company will be taken with regard to the prevailing market conditions and other factors. The Board, having considered the effect of a maximum repurchase and/or acquisition, as the case may be, under this general authority, is of the opinion that for a period of 12 months from the date of the AGM notice:

- (i) The Company and the Group will be able to pay their debts in the ordinary course of business;
- (ii) The assets of the Company and the Group will be in excess of the liabilities of the Company and the Group, with such assets and liabilities being recognised and measured in accordance with the accounting policies used in the latest audited Consolidated Annual Financial Statements;
- (iii) The share capital and reserves of the Company and the Group will be adequate for ordinary business purposes; and
- (iv) The working capital of the Company and the Group will be sufficient for ordinary business purposes.

The Listings Requirements require the following disclosures relative to special resolution number 3, which appear in the Report:

- Major shareholders – page 153
- Share capital of the Company – pages 59 to 60

Materiality

Other than the facts and developments reported in this Report, there have been no material changes in the financial or trading position of the Company and its subsidiary companies between the date of signature of the audit report and the date of this notice.

Directors' Responsibility Statement

The directors, whose names appear in this Report and the AFS, collectively and individually, accept full responsibility for the accuracy of the information given in this special resolution and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this special resolution contains all information required by law and the Listings Requirements.

By order of the board of directors



Karen Robinson
Company Secretary

Johannesburg
28 June 2019